



THE GEORGE
WASHINGTON
UNIVERSITY
WASHINGTON DC

OFFICE OF THE CHIEF RESEARCH OFFICER

May 29, 2008

Ms. Susan Crowley
Legislative Services Agency
State Capitol
Des Moines, Iowa 50319

SUBJECT: Proposal entitled "*Property Tax Study*" in response to the RFP issued January 11, 2008.

Dear Ms. Crowley:

We are pleased to submit the enclosed proposal entitled "*Property Tax Study*" on behalf of Michael Bell and David Brunori of the George Washington Institute of Public Policy (GWIPP).

Any questions of a technical nature should be referred to Dr. Bell, (301) 387-9030. All other questions should be directed to Harold Gollos, Managing Director, Research Support and Analysis, (202) 994-0896.

Sincerely,

Harold Gollos
Managing Director, Research Support and Analysis

cc: Michael Bell
David Brunori
Kim Rycroft
Kari Aldridge

May 22, 2008

Ms. Susan Crowley
Legislative Services Agency
State Capitol
Des Moines, Iowa 50319

Dear Ms. Crowley:

George Washington Institute of Public Policy (GWIPP) is submitting this proposal in response to the Request for Proposals (RFP) issued January 11, 2008 by the Iowa Legislative Property Tax Study Committee. GWIPP Research Professors Michael E. Bell and David Brunori will be the Principal Investigators for the work described in the following proposal. Both Professors Bell and Brunori have extensive experience studying property tax issues. Their resumes are attached to this proposal.

PROPOSED RESEARCH ACTIVITIES

George Washington Institute of Public Policy is well positioned to respond to a number of those specific requests contained in the Committee's (RFP). GWIPP has a long track record investigating property tax issues in the U.S. However, we did not originally respond to the RFP because we are not in a strong position to respond to all services described in the RFP.

The purpose of this section is to describe which activities we can respond to and how we would undertake the research requested.

The following numbered sections refer to sections described under Scope of Services in the original Request for Proposal.

II. A. 1-3.

The activities described in these sections focus on property taxes on commercial property. As stated earlier, this is a set of topics which GWIPP is not in the best position to respond to. We are not proposing to do work in this area.

II. A. 4.

This task focuses on how other states value agricultural, residential, commercial and industrial property for property tax purposes. GWIPP research staff will collect data and report on the methods used by the states to value agricultural, residential, commercial, and industrial property for purposes of property taxation. GWIPP will collect the data directly from the agencies that maintain the data in all fifty states. The report will identify the methods for valuation and specifically identify which states require income or

productive earning capacity as the primary method of valuation. In addition, we will identify which states rely on use value assessment for agricultural lands. But all methods of valuation used by the states for the various classes of property will be identified in the report.

II. A. 5.

The activities described in this section focuses on property taxes on telecommunications property. As stated earlier, this is a set of topics which GWIPP is not in the best position to respond to. We are not proposing to do work in this area.

II. A. 6.

This activity focuses on exploring how general property tax relief might be obtained in Iowa through increased reliance on other possible revenue sources for local governments. GWIPP research staff will identify, review, and report on methods used by states to alleviate the property tax burden through increased intergovernmental (state) aid and/or the authorization of alternative sources of local revenue, including user fees, local option income taxes, and local option sales taxes. The information will be collected from states that have successfully undertaken such efforts in the past five years. The report will include an exploration of how these methods may be utilized in Iowa in light of the state's state and local fiscal capacity.

II. A. 7.

This task asks for an incidence and burden analysis of a number of alternative revenue sources available to local governments. We are not proposing to undertake the requested incidence and burden analysis described in this item.

II. A. 8.

This task focuses on identifying categories of local government expenditures and the composition of local government revenues in other states. Of special interest is the portion of local government expenditures which benefit real property within local governments' jurisdiction. Using census data, the GWIPP research staff will identify the major areas of local government expenditures in all fifty states along with the composition of local government revenue sources in each state. GWIPP will make an initial effort to identify local government expenditures which would generally be thought to benefit real property. We will make an initial estimate of the portion of local government expenditures made in Iowa and in other states that can be characterized as benefiting real property within the local government's jurisdiction.

II. A. 9.

The focus of this task is on gathering and analyzing data on other states' efforts to use property taxes as an incentive for smart growth and in-fill development. GWIPP research

staff will identify and report on laws in all fifty states that use property taxes to provide incentives for smart growth and in fill development or that provide disincentives for open-field or greens pace development. Evaluating the effectiveness of these various laws is, in our view, beyond the scope of what can be promised within the required time and resource constraint. However, GWIPP will survey existing literature to see what other studies have to say about the effectiveness of such programs.

II. A. 10. The focus of this task is to develop an unspecified number of simulations possible changes in the property tax laws in Iowa and determine the potential impact of these changes on various stakeholders in the state. We are not proposing to undertake the requested analysis described in this item because it is too opened and we are not able to budget for this activity.

PROPOSED WORK PLAN

The George Washington Institute of Public Policy (GWIPP) will undertake the work set forth in the previous section. The principle investigators will be Michael Bell and David Brunori, both Research Professors of Public Policy and Public Administration at the George Washington University. Curriculum Vitae for both Professor Bell and Professor Brunori are attached. (Appendix 3) The principle investigators will be assisted by research assistants from George Washington University's School of Public Policy and Public Administration.

GWIPP will begin work on the project as soon as a contract with the Iowa Legislative Services Agency is executed. The scope of services includes significant data collection from all fifty states, including Iowa. GWIPP will begin collecting that data no later than June (assuming the existence of a signed contract). To meet the deadlines set forth in this proposal, data collection for the various tasks will occur simultaneously. The principle investigators will begin analyzing the data as it is collected. We will utilize Iowa data when appropriate. GWIPP personnel intend to make a trip to Iowa as soon as the contract is executed to meet with the committee, staff and state offices that contain the data needed for this project.

When available, GWIPP will collect the data directly from the states. Only if a state does not possess the data sought, will GWIPP use secondary sources. GWIPP will also rely on United States Census data when available.

We anticipate that this contract will run from July 1, 2008 through January 31, 2009. GWIPP will deliver an initial progress report to the Iowa Legislative Services Agency by September 15, 2008. This report will detail the data collected through that time and provide a preliminary analysis of that data.

GWIPP personnel will make an initial in person report to the Property Tax Study Committee in October 2008. This report will detail the data collected through that time

and provide a more in depth analysis. GWIPP will provide its final report and make a formal presentation to the Property Tax Study Committee in December 2008.

A detailed project budget is attached.

Thank you for considering our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Bell", with a long horizontal flourish extending to the right.

Michael Bell

Research Professor

George Washington Institute for Public Policy

BELL/BRUNORI
IOWA
7/1/08-1/31/09

	<u>Unit</u>	<u>Per Unit</u>	
<u>Salaries</u>			
<u>M. Bell</u>			
35 days @ \$594.12/day	35	\$594	\$20,794
<u>D. Brunori</u>			
35 days @ \$571.04/day	35	\$571	\$19,986
<u>Research Assistant</u>			
Two RAs - 40 hours/week @ \$17/hour	960	\$17	\$16,320
Estimated 12 weeks			
<u>Total Salaries and Wages</u>			\$57,100
<u>Fringe Benefits</u>			
26% of Salaries			\$10,603
6.5% of Wages			<u>\$1,061</u>
<u>Total Salaries and Fringe Benefits</u>			\$68,764
<u>Other Direct Costs</u>			
<u>Travel:</u> 2 trips to Iowa			
3 people/trip, 2 nights/trip			
Estimated Round Trip Airfare/Trip	6	\$320	\$1,920
Estimated Food Lodging/night	12	\$160	\$1,920
<u>TOTAL DIRECT COSTS</u>			<u>\$72,604</u>
<u>GW Facilities and Administrative Costs</u>			
51.5% of MTDC			<u>\$37,391</u>
<u>TOTAL PROJECT COSTS</u>			<u>\$109,994</u>

**Fringe benefit rate of 25.5% of salaries is predetermined through 6/30/08.

Rate of 26% of salaries is predetermined from 7/1/08-6/30/09. Rate of 26.5% of salaries is predetermined from 7/1/09-6/30/10, provisional thereafter. Rate of 6.5% of wages is predetermined from 7/1/06-6/30/10, provisional thereafter. All rates are predetermined by DHHS Agreement dated 4/11/07.

***The George Washington University has a Facilities and Administrative rate of 51.5% of MTDC through 6/30/11, provisional thereafter, by DHHS agreement dated 4/11/07.

Appendix Resumes

MICHAEL E. BELL

Research Professor
George Washington Institute of Public Policy
George Washington University
meb@gwu.edu

P.O. Box 869
Mc Henry, Maryland 21541
Tel 301.387.9030
FAX 301.387.4066
mebassociates2@gmail.com

RECENT RESEARCH POSITIONS

2003- present	Research Professor George Washington Institute of Public Policy State and Local Fiscal Policy Research Program George Washington University
2001-present	Executive Director, Coalition for Effective Local Democracy
2004-2007	David C. Lincoln Fellow Lincoln Institute of Land Policy
1996-2003	Research Fellow Lincoln Institute of Land Policy
1988-1997	Principal Research Scientist, The Institute for Policy Studies, The Johns Hopkins University

EDUCATION

Ph.D., Economics, Graduate School of Public Affairs
State University of New York at Albany

M.A., Economics
Simon Fraser University
Burnaby, British Columbia, Canada

B.A., Economics, University of California at Berkeley

BOOKS

Implementing A Local Property Tax Where There Is No Real Estate Market: The Case of Commonly Owned Land In Rural South Africa, Lincoln Institute of Land Policy, Cambridge, Massachusetts, April 2006, with John H. Bowman.

Subnational Data Requirements for Fiscal Decentralization: Case Studies from Central and Eastern Europe, The World Bank Institute, Washington D.C., 2003, with Serdar Yilmaz and Jozsef Hegudus (editors).

Property Taxes in South Africa: Challenges in the Post-apartheid Era, Lincoln Institute of Land Policy, Cambridge, Massachusetts, March 2002, with John H. Bowman (editors).

Environmental Infrastructure Management, NATO ASI Series 2: Environment, Volume 37, Kluwer Academic Publishers, London, 1997, with John J. Boland and Eugene Z Stakhiv (editors).

Intergovernmental Fiscal Relations in an Era of New Federalism, JAI Press, Greenwich, Connecticut, 1988 (editor).

Fragile Foundations: A Report on America's Public Works, Final Report of The National Council on Public Works Improvement, Government Printing Office, February, 1988, with Council Staff.

Regional Dimensions of Industrial Policy, D.C. Heath and Company, Lexington Books, Lexington, Massachusetts, January 1982, with Paul Lande (editors).

SELECTED ARTICLES

"Building Civic Infrastructure: Implementing Community Partnership Grant Programmes in South Africa" with Charles F. Adams and Trevor Brown, Public Administration and Development, Vol. 22, 2002, pp. 293-302.

"Reinventing Local Government in South Africa: The Implications of Metropolitan Structures," with John H. Bowman, Regionalist, Volume 3, Number 3, Winter 1999-2000, pp.63-72.

"Property Tax Assessment," Encyclopedia of Taxation and Tax Policy, Joseph J. Cordes, Robert D. Ebel, and Jane G. Gravelle, editors, The Urban Institute Press, 1999, pp. 296-8.

"Local Property Taxation in South Africa: Current Performance and Challenges for the Post-apartheid Era" with John H. Bowman, Public Budgeting and Finance, Winter 1997, Vol. 17, No. 4, pp. 71-87.

"Local Self-Government in Central and Eastern Europe: Decentralization or Deconcentration?" with Katalin Zsamboki, Environment and Planning C: Government and Policy, 1997, Vol. 15, Issue 2, pp. 177-86.

"The Impact of Local Sales Tax on Owner-Occupied Housing" with Joyce Y. Man, Journal of Urban Economics, Vol. 39, No. 1, January 1996, pp. 114-30.

"Financing the Post-Apartheid City in South Africa" with Philip M. Dearborn and Roland Hunter, Urban Studies, Vol. 30, No. 3, April 1993, pp. 581-92.

"Centralization Versus Decentralization: The Case of Financing Autonomous Local Governments in Poland" with Joanna Regulska, Public Finance, Vol. 47, 1992, Supplement, pp. 187-201.

"Gauging Assessment Uniformity: A Comparison of Measures" with John H. Bowman Property Tax Journal, December 1991, Vol. 10, No. 4.

SELECTED PUBLICATIONS AND REPORTS

"The Assessment Requirements for a Separate Tax on Land," with John H. Bowman and Jerome German, in Land Value Taxation and Economic Development, edited by Richard Dye and Richard England, Lincoln Institute of Land Policy, Cambridge, MA, forthcoming.

"Tax and Expenditure Limitations and Their Effects on Local Finances and Urban Areas," with David Brunori, Joe Cordes and Bing Yuan, in Urban and Regional Policies and Its Effects, edited by Margery Austin Turner, Howard Wial, and Hal Wolman, Urban Institute Press, Washington D.C., forthcoming.

"Extending Property Taxation into Previously Untaxed Areas: South African Townships and Tribal Areas," with John H. Bowman in Making the Property Tax Work: Experiences in Developing and Transitional Countries, Edited by Roy Bahl, Jorge Martinez-Vazquez and Joan Youngman, Lincoln Institute of Land Policy, Cambridge, MA, 2008.

Building on the Successes of the Fiscal and Financial Allocation and Monitoring Commission in Sudan: A Roadmap for the Future, with Rory Riordan, Federation Forum, Ottawa, Canada, 2007.

Consistency of Land Values: Comparison of Three General Approaches to Valuing Land Where There are Few Vacant Land Sales, with John H. Bowman, Lincoln Institute of Land Policy, Working Paper Series, 2007.

Methods of Valuing Land for Real Property Taxation: An Examination of Practices in States that Require Separate Valuation of Land and Improvements, with John H.

Bowman, Lincoln Institute of Land Policy, Working Paper WP06MB1, Cambridge, Massachusetts, March 2006.

Financing Urban Infrastructure in Bangladesh: An Initial Concept Note, with Mary Ellen Hammond, The World Bank, 2006.

Measuring Fiscal Decentralization: A New Perspective, with Robert D. Ebel, Kai Kaiser and Jeep Rojchaichaninthorn, The World Bank, 2006

Statistical Capacity Building in Tanzania and Uganda: Identifying and Measuring Own-Source Subnational Revenue Autonomy, with Robert D. Ebel, The World Bank, 2006.

Fiscal Decentralization in The Sudan: Concepts and Challenges, with Medani M. Ahmed, George Washington University, Institute for Public Policy, Working Paper Series, 2005.

The Government of The Sudan: Intergovernmental Policies and Issues, with Medani M. Ahmed, George Washington University, Institute for Public Policy, Working Paper Series, 2005.

An Analysis of Fiscal Policies in The Sudan: A Pro-poor Perspective, with Medani M. Ahmed and Rahamtalla Ali Babiker, Prepared for the UNDP, George Washington University, Institute for Public Policy, Working Paper Series, 2005.

Valuing Land for Tax Purposes in Traditional Tribal Areas of South Africa Where There Is No Land Market, with John H. Bowman and Lindsay C. Clark, Lincoln Institute of Land Policy, Working Paper WP05MB1, Cambridge, Massachusetts, 2005.

Widening the Net: Extending the Property Tax into Previously Untaxed Areas in South Africa, with John H. Bowman, Lincoln Institute of Land Policy, Working Paper WP02MB1, Cambridge, Massachusetts, 2002.

Infrastructure: The Key to New Jersey's Future, with Nancy Connery, The Foundation of the New Jersey Alliance for Action, October 2001.

"Fiscal Decentralization Indicators: Local Democratic Governance" with Charles Adams, prepared for Open Society Institute, Local Government and Public Service Reform Initiative, Budapest, Hungary, 1999.

A Framework for Strengthening Local Property Tax Administration in South Africa: Final Report, edited with John H. Bowman, Department of Constitutional Development, South Africa, November 1998.

"Non-tax Revenues in the District of Columbia: Current Practices and Future Prospects," with James O'Keefe in Taxing Simply, Taxing Fairly, Report of the District of Columbia Tax Revision Commission, Part II, Consultant Reports, Greater Washington Research Center, Washington D.C., September 1998.

Macroeconomic Analysis of the Linkages Between Transportation and Economic Performance: NCHRP Report 389, with Therese J. McGuire, Transportation Research Board, 1997.

Property Rates in South Africa: A Preliminary Assessment of Current Practices, edited with John H. Bowman, The Johns Hopkins Institute for Policy Studies, June 1997.

"Property Taxation: An Overview," in Property Rates in South Africa: A Preliminary Assessment of Current Practices, edited with John H. Bowman, The Johns Hopkins Institute for Policy Studies, June 1997.

The Distribution Industry: An Engine for Maryland's Growth, with Maryann P. Feldman and Lester M. Salamon, Johns Hopkins Institute for Policy Studies, November 1996.

"Tax Base Sharing Revisited: Issues and Options," in John E. Anderson (ed.). Fiscal Equalization for State and Local Government Finance, Praeger, 1994, pp. 151-73.

"Property Taxes", with John H. Bowman, in Local Government Finance: Concepts and Practices, Chicago: Government Finance Officers Association, 1991, John Petersen and Dennis Strachata (eds), pp. 85-111.

SELECTED PROCEEDINGS PAPERS

"Split-rate Real Property Taxation: Property Tax Redistribution across Land Uses in Three Virginia Localities," with John H. Bowman, Proceedings of the 97th Annual Conference on Taxation, Washington D.C., National Tax Association, 2005, pp. 104-110.

Intra-metropolitan Area Fiscal Capacity Disparities and the Property Tax, with Lindsay C. Clark and Joseph J. Cordes and Harold Wolman, Working Paper WP04MB1, Lincoln Institute of Land Policy, 2004 and published in State Tax Notes, Volume 33, Number 3, July 19, 2004, pp. 195-211.

Implications of a Split-Rate Real Property Tax: An Initial Look at Three Virginia Local Government Areas, with John H. Bowman, Working Paper WP04JB1, Lincoln Institute of Land Policy, 2004 and published in State Tax Notes, Volume 32, Number 4, April 26, 2004, pp. 261-91.

"Extending Property Taxes into Previously Untaxed Areas in South Africa" with John H. Bowman, Proceedings of the 95th Annual Conference on Taxation, Washington D.C., National Tax Association, 2003, pp 370-6.

"Strengthening Civic Society in South Africa: The Community Partnership Grant Program" with Charles F. Adams and Trevor L. Brown, Proceedings of the 95th Annual Conference on Taxation, Washington D.C., National Tax Association, 2003, pp 124-30.

"Fiscal Decentralization Indicators: Local Democratic Governance" with Charles F. Adams, Proceedings of the 92th Annual Conference on Taxation, Washington D.C., National Tax Association, 2000, pp 236-41.

"Implementing a Local Property Tax in South Africa," with John H. Bowman, Proceedings of the 89th Annual Conference on Taxation, Washington D.C., National Tax Association, 1997, pp 410-6.

DAVID BRUNORI

9816 BRIDLERIDGE CT.

VIENNA, VIRGINIA 22181

(703) 242-3698 (H)

(703) 533-4676 (W)

email: brunori@gwu.edu

dbrunori@tax.org

EMPLOYMENT: EXECUTIVE VICE PRESIDENT- EDITORIAL OPERATIONS, Tax Analysts, Falls Church, VA (2002 – Present)

Manage the publication efforts for all Tax Analysts products in federal, state, and international tax; responsible for publication of thirteen news and research products. Responsible for all aspects of the company's publishing efforts including recruitment and training of writers and editors, development of sales and marketing strategies, Web, print and DVD publishing, and management of an operating budget of over \$20 million.

CONTRIBUTING EDITOR, *STATE TAX NOTES*, A TAX ANALYSTS PUBLICATION, Arlington, VA (1994 - Present)

Author *The Politics of State Taxation*, a weekly column appearing in *State Tax Notes* magazine and *State Tax Today*; and author special reports, commentaries, book reviews, and news stories concerning state and local tax and budget issues.

COLUMNIST, *GOVERNING* magazine, Washington, DC (2002-2004)

Author, *David Brunori's Tax Talk*, a bi-monthly column on state and local tax and budget issues

ASSOCIATE, ZAPRUDER & ODELL, Washington, DC (1990 - 1993)

APPELLATE TRIAL ATTORNEY, UNITED STATES DEPARTMENT OF JUSTICE, TAX DIVISION (ATTORNEY GENERAL'S HONORS PROGRAM) (1987 - 1990)

TEACHING AND

RESEARCH:

Director, State and Local Fiscal Policy Research Program, George Washington Institute of Public Policy, The George Washington University (2002- Present).

Research Professor of Public Policy and Public Administration, The George Washington Institute of Public Policy at The George Washington University (2001 - Present). Teach Law and Public Administrator, Fiscal Federalism, and State and Local Public Finance.

Professorial Lecturer, The George Washington University Law School (1996 -Present). Distinguished Adjunct Teaching Award, 2005. Teach state and local tax law.

David C. Lincoln Fellow, Lincoln Institute of Land Policy (2001-2004).

Faculty Associate, Lincoln Institute of Land Policy (2000 - Present). Lead research project on the legal aspects of property tax assessment.

Lecturer, George Mason University School of Law (1998 - 2001). State and local tax law.

Lecturer, Troy State University (1996-1998). Administrative law.

Lecturer, Central Michigan University (1997-1998). Taught administrative law.

Research Consultant, National League of Cities (2000 - 2001). Conduct fiscal research for the Cities in Transition Project.

PUBLICATIONS:

Local Tax Policy: a Federalist Perspective, 2nd edition, Urban Institute Press (2008).

Financing Local Government in a Changing World, in American Intergovernmental Relations, Laurence O'Toole, editor, CQ Press (2007).

State Tax Policy: a Political Perspective, 2nd edition, Urban Institute Press (2005). The first edition won the Choice Award for best book in public finance in 2001.

History of the Property Tax in America, in *Property Taxation*, 3rd Edition, Jerry Janata, ed. Institute for Professionals in Taxation (2004).

Local Tax Policy: a Federalist Perspective, Urban Institute Press (2003).

Tax Justice in the American States, in *Tax Justice*, Joseph Thorndike and Dennis Ventry, eds., Urban Institute Press (2002).

The Future of State Taxation, David Brunori, Editor. Urban Institute Press (1998).

Metropolitan Taxation in the 21st Century, *National Tax Journal* Volume LI No. 3 (September 1998) 541-551.

Principles of Tax Policy and Targeted Tax Incentives, *State and Local Government Review*, No.1, Winter: 50-61 (1997).

Regional Politics in Washington, DC: Cautious and Constrained Cooperation, with Jeffrey Henig, In Savitch and Vogel, eds. *Regional Politics: America in a Post City Age*, Sage Publications (1996).

PRESENTATIONS: Regular speaker on state and local tax and budget issues before national conferences hosted by the Federation of Tax Administrators, National Conference of State Tax Judges, Northeast State Tax Administrators, National Conference of State Legislators, Government Affairs Directors Institute, Good Jobs First, The Future of Public Finance, Association for Public Policy Analysis and Management, National Governors Association, Local Government Officers Conference, Iowa Department of Revenue and Finance, Institute for Tax, Florida State Tax Conference, Southeast Association of Tax Administrators, Urban Institute, National Tax Association, Alabama Tax Bar Institute, Multistate Tax Commission, and the American Political Science Association.

EDUCATION:

UNIVERSITY OF PITTSBURGH SCHOOL OF LAW (J.D., Cum Laude, 1987) Order of the Coif; University of Pittsburgh Law Review

THE GEORGE WASHINGTON UNIVERSITY Graduate School of Arts and Sciences (M.A., Political Science, 1994)

THE GEORGE WASHINGTON UNIVERSITY (B.A., With Honors, History, 1984)

PROFESSIONAL

ASSOCIATIONS:

National Tax Association (**Board of Directors, 2001- 2004, Advisory Board 2007- Present**); Supreme Court of Pennsylvania; American Political Science Association; Urban Affairs Association; and American Society for Public Administration.

**THE GEORGE WASHINGTON UNIVERSITY
ADMINISTRATIVE DATA SHEET**

PRINCIPAL INVESTIGATOR: Michael Bell**SPONSOR:** Legislative Services Agency

EIN 530196584
CEC #04-490-059F
DUNS #043990498-0003

CAGE Code #358K5
FICE #001444

Applicant Organization:

The George Washington University

*Address all correspondence to:**Make checks payable to The George Washington University and mail to:*

Harold Gollos, Managing Director
 Research Support and Analysis
 The George Washington University
 Office of the Chief Research Officer
 2121 I Street, N.W. Suite 601
 Washington, D.C. 20052
 (202) 994-6255

Steven Doherty
 Director
 The George Washington University
 Grants & Contracts Accounting Services
 44983 Knoll Square, Building II
 Ashburn, VA 20147
 (202) 994-7700

Payment by wire transfer should be sent to:

PNC Bank
 808 17th Street, N.W.
 Washington, DC 20006

Account No. 5300 44 5274
 Acct Name: The George Washington University
 ABA Number: 054 000 030
 SWIFT# PNCCUS33
 Credit to: Award# _____

Officials Authorized to Negotiate:

Terri L. Taylor
 Mgr., Pre-Award Svcs (Univ.)

Melanie Bossi
 Mgr, Pre-Award Svcs (Med Ctr)

Harold Gollos
 Managing Director, Research
 Support and Analysis
 (202) 994-6255

(202) 994-6255

(202) 994-6570

Officials Authorized to Commit GW:

Robert Donnally
 Managing Director,
 Research Services
 and Operations

Harold Gollos
 Managing Director,
 Research Support
 and Analysis

Elliot Hirshman
 Chief Research Officer

Donald Lehman
 Executive Vice
 President for
 Academic Affairs

Cognizant Audit Agency:

DHHS, Region III
 330 Independence Ave, SW, Rm 1067
 Washington, DC 20201
 (202) 401-2808

The George Washington University has the necessary billing capacity, working capital and other resources to undertake the contract without assistance from any other outside source. The University requests a fixed price contract.

GW policy prohibits acceptance of projects which prevent the open dissemination of research results or which restrict the access by the academic community to research programs of its students. Under this policy, the results of University research projects must be publishable and researchers must be permitted to present their results at symposia and professional meetings, and to publish in journals, theses or dissertations, or otherwise of their own choosing, the methods and results of such projects.

The George Washington University accepts the terms and conditions of the Request For Proposal (RFP) issued January 11, 2008 with the following exceptions:

Section II. D & E - Separate from the submitted deliverables, GW reserves the right to freely create derivative works, and reproduce, distribute, publish or otherwise utilize such derivative works, data, methods, ideas and concepts developed or obtained through work under this contract.

Section III. C & D - Acceptance of contractual terms is subject to review and acceptance by GW legal counsel; if GW is selected as a contractor and any delay in contract issuance is anticipated, please forward the model contract specified in paragraph D for review as soon as possible.

Section IV.H - Any such provision for liquidated damages requires review & approval by GW legal counsel.

COPY

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 53-0196584

DATE: April 11, 2007

INSTITUTION:
The George Washington University
44983 Knoll Square, 2nd Floor
Ashburn

VA 20147

FILING REF.: The preceding
Agreement was dated
July 10, 2006

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED		FINAL	PROV. (PROVISIONAL)		PRED. (PREDETERMINED)
TYPE	EFFECTIVE PERIOD		RATE(%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/06	06/30/07	49.5	On-Campus	Orgn. Research (1)
PRED.	07/01/07	06/30/11	51.5	On-Campus	Orgn. Research (1)
PRED.	07/01/06	06/30/11	26.0	Off-Campus	Orgn. Research (1)
PRED.	07/01/06	06/30/07	53.0	On-Campus	Orgn. Research (2)
PRED.	07/01/07	06/30/08	55.0	On-Campus	Orgn. Research (2)
PRED.	07/01/08	06/30/09	55.5	On-Campus	Orgn. Research (2)
PRED.	07/01/09	06/30/11	56.5	On-Campus	Orgn. Research (2)
PRED.	07/01/06	06/30/11	26.0	Off-Campus	Orgn. Research (2)
PRED.	07/01/06	06/30/11	26.0	Off-Campus	Orgn. Research (2)
PROV.	07/01/11	UNTIL AMENDED			Special Prog(A) (1&2)
Use same rates and conditions as those cited for fiscal year ending June 30, 2011.					

- (1) Rates apply to University projects, excluding Medical Center.
- (2) Rates apply to Medical Center projects, excluding University.
- (A) Special programs rates exclude all Departmental Administrative Costs other than the Deans' office.

*BASE:

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:
The George Washington University

AGREEMENT DATE: April 11, 2007

SECTION I: FRINGE BENEFITS RATES**

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
PRED.	07/01/06	06/30/08	25.5	ALL	REGULAR EMPLOYEES
PRED.	07/01/08	06/30/09	26.0	ALL	REGULAR EMPLOYEES
PRED.	07/01/09	06/30/10	26.5	ALL	REGULAR EMPLOYEES
PRED.	07/01/10	06/30/11	27.0	ALL	REGULAR EMPLOYEES
PRED.	07/01/06	06/30/11	6.5	ALL	TEMPORARY & STUDENTS
PROV.	07/01/11	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2011.		

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages.

INSTITUTION:
The George Washington University

AGREEMENT DATE: April 11, 2007

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

Fringe Benefits include: FICA, Retirement, Disability Insurance, Life Insurance, Tuition Remission, Workers' Compensation, Unemployment Insurance, Health & Dental Insurance, Death Benefits and Sabbatical Leave.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$2,500 or more per unit.

INSTITUTION:
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SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:
The George Washington University

(INSTITUTION)

(SIGNATURE)

(NAME)

Louis H. Katz
Executive Vice President & Treasurer

(TITLE)

(DATE)

5/22/07

ON BEHALF OF THE FEDERAL GOVERNMENT:

Department of Health and Human Services

(AGENCY)

(SIGNATURE)

Darryl Mayes

(NAME)

Director

Division of Cost Allocation

(TITLE)

April 11, 2007

(DATE) 0441

HHS REPRESENTATIVE: Robbin Powell

Telephone: (202) 401-2808

COPY

COMPONENTS OF THE PUBLISHED F&A RATE

INSTITUTION:

The George Washington University and Medical Center

FY COVERED BY RATE:

FY 2008 - FY 2011

Facilities Components:

Building Depreciation
Equipment Depreciation
Interest
Operations & Maintenance
Utility Cost Allowance
Library
Administrative Component
F&A Rate

MEDICAL CENTER ORGANIZED RESEARCH				UNIVERSITY ORGANIZED RESEARCH		BIOSTATS ORGANIZED RESEARCH
On-Camp FY 08	On-Camp FY 09	On-Camp FY 10-11	Off-Camp FY 08-11	On-Camp FY 08-11	Off-Camp FY 08-11	Off-Camp FY 08-11
2.8	2.8	3.0		4.3		
2.7	2.7	2.7		4.3		
0.7	0.7	0.7		2.0		
18.0	20.0	20.3		12.9		
1.3	1.3	1.3		0.0		
2.5	2.0	2.5		2.0		
26.0	26.0	26.0	26.0	26.0	26.0	26.0
55.0	55.5	56.5	26.0	51.5	26.0	26.0

CONCURRENCE:



(Signature)

(Name)

Louis H. Katz

Executive Vice President & Treasurer

(Title)

(Date)

5/22/07